

Mine Name: Diamond Mountain Resources

Operator Name: Deseret Generation & Transmission

State of Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

MICHAEL R. STYLER Executive Director

JOHN R. BAZA Division Director

Inspection Report Minerals Regulatory Program

Date: August 3, 2009

Reviewed:	LH.

Permit Number: M/047/0066

Inspection Date: July 29, 2009

Inspector(s): L Heppler	Time: 11:00 am		
Other Participants: none	Mine Status: ACT		
Elements of Inspection	Evaluated	Comment	Enforcemen
1. Permits, Revisions, Transfer, Bonds	\boxtimes	\boxtimes	
2. Public Safety (shafts, adits, trash, signs, highwalls)			
3. Protection of Drainages / Erosion Control			
4. Deleterious Material			
5. Roads (maintenance, surfacing, dust control, safety)			
6. Reclamation			
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts)			
8. Soils	\boxtimes	\boxtimes	
9. Revegetation			

Bond Renewal Date: 11-29-2008 Bond Amount: \$275,000 Permit fee is up to date

Purpose of Inspection: Routine annual Inspection. This site was inspected as a large mine site on 09/07/2008

Inspection Summary: Mine disturbance is limited. No concurrent reclamation has been started but area is tight around the operation. Photos were taken to document site conditions.

Conclusions and Recommendations: Bond amount is past due for escalation. Due to last years depressed construction market, Escalation rate for 2009 is at a historic low (1.3%), Escalation letter will follow. OGM to continue annual inspections and monitor the site when in the area.

Inspector's Signature LAH:vs

cc: Larry Jorgensen

NFS - daherron@fs.fed.us

 $O: \label{lem:linsp-07292009.doc} O: \label{linsp-07292009.doc} O: \label{linsp-07292009.doc}$

